

Act 177 of the 1989 Regular Session.

Act 177

HB1409

By: Representative Hawkins

"AN ACT TO AMEND ARKANSAS CODE ANNOTATED 23-87-117 TO DEFINE THE TERM 'COMPENSATION' AS USED IN THE CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE LAW; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code 23-87-117 is hereby amended to read as follows:

"23-87-117. Compensation limited. In order to assure that the premium rates charged or to be charged for credit life or credit disability insurance are reasonable in relation to benefits provided, the commissioner may, after due notice and hearing, issue rules and regulations establishing the maximum compensation payable to an agent, a broker, or a creditor, or any affiliate, associate, subsidiary, director, officer, employee, or other representative of or for the creditor, for writing or handling the insurance, including commission, dividends, premium adjustments, policy writing fees, underwriting gain, or any compensation or remuneration in whatever form. Provided, the term 'compensation' as defined and used herein shall not be deemed to include reinsurance premiums paid to, or underwriting profits generated by, an insurer or reinsurer owned by, controlled by or under common control with a credit insurer, an agent, broker, creditor, group of creditors, or any affiliate, associate, subsidiary, director, officer, employee or other representative of or for such credit insurer, creditor or group of creditors, on accounts in existence with such insurer or reinsurer on January 17, 1989, which have been registered with the Commissioner within twenty (20) days of the effective date of this act in accordance with pertinent rules and regulations promulgated by the Commissioner."

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: February 22, 1989

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